

GAO

Subcommittee on 21st Century
Competitiveness, Committee on
Education and the Workforce, House of
Representatives

For Release on Delivery
Expected at 2:00 p.m.,
March 12, 2002

WORKFORCE INVESTMENT ACT

Coordination between TANF Programs and One- Stop Centers Is Increasing, but Challenges Remain

Statement of Sigurd R. Nilsen, Director, Education,
Workforce, and Income Security Issues



G A O

Accountability * Integrity * Reliability

Report Documentation Page

Report Date 00MAR2002	Report Type N/A	Dates Covered (from... to) -
Title and Subtitle WORKFORCE INVESTMENT ACT: Coordination between TANF Programs and One-Step Centers Is Increasing, but Challenges Remain	Contract Number	
	Grant Number	
	Program Element Number	
Author(s)	Project Number	
	Task Number	
	Work Unit Number	
Performing Organization Name(s) and Address(es) General Accounting Office, PO Box 37050, Washington, DC 20013	Performing Organization Report Number GAO-02-500t	
Sponsoring/Monitoring Agency Name(s) and Address(es)	Sponsor/Monitor's Acronym(s)	
	Sponsor/Monitor's Report Number(s)	
Distribution/Availability Statement Approved for public release, distribution unlimited		
Supplementary Notes		
Abstract <p>Thank you for inviting me here today to discuss the coordination of services for the Temporary Assistance for Needy Families (TANF) program through one-stop centers established under the Workforce Investment Act of 1998 (WIA). Welfare reform legislation, which created TANF, directed welfare agencies to focus on helping needy adults find and maintain employment, a goal that has long been the province of the workforce development system. Congress passed WIA to unify a fragmented employment and training system creating a new, comprehensive workforce investment system. Despite TANF's similar focus, TANF was not mandated to participate in the one-stop system; however, as we have previously testified, 1 many states and localities are coordinating their TANF programs with one-stop centers. With the emphasis on work intensifying in the current TANF reauthorization debate, the coordination of TANF and WIA programs may become increasingly important.</p>		
Subject Terms		
Report Classification unclassified	Classification of this page unclassified	
Classification of Abstract unclassified	Limitation of Abstract SAR	

Number of Pages

16

Mr. Chairman and members of the Subcommittee:

Thank you for inviting me here today to discuss the coordination of services for the Temporary Assistance for Needy Families (TANF) program through one-stop centers established under the Workforce Investment Act of 1998 (WIA). Welfare reform legislation, which created TANF, directed welfare agencies to focus on helping needy adults find and maintain employment, a goal that has long been the province of the workforce development system. Congress passed WIA to unify a fragmented employment and training system—creating a new, comprehensive workforce investment system. Despite TANF's similar focus, TANF was not mandated to participate in the one-stop system; however, as we have previously testified,¹ many states and localities are coordinating their TANF programs with one-stop centers. With the emphasis on work intensifying in the current TANF reauthorization debate, the coordination of TANF and WIA programs may become increasingly important.

You asked us to assess the extent to which states were coordinating their TANF services with their one-stop centers. As you requested, my remarks today focus on (1) the status of state and local efforts to coordinate TANF-related programs—including TANF work programs, TANF cash assistance, and other support services—with one-stop centers and how this status has changed since 2000, when WIA was implemented, and (2) the challenges that states and localities have faced in coordinating their TANF work programs with their one-stop centers and the approaches that they have taken to address these challenges. My testimony is based on a survey that we conducted from September through December 2001 of workforce development agency officials in all 50 states and a similar survey that we conducted in the spring of 2000; visits to four states and nine localities from October 2001 to January 2002²; and phone interviews with state TANF and workforce officials in 12 states during January and February 2002.

In summary, coordination between TANF-related programs and one-stop centers has increased since the spring of 2000, when WIA was first implemented. Nearly all states reported some coordination between the

¹U.S. General Accounting Office, *Workforce Investment Act: Implementation Status and the Integration of TANF Services*, GAO/T-HEHS-00-145 (Washington, D.C.: June 29, 2000).

²We conducted fieldwork in Arizona, Connecticut, Louisiana, and New Jersey.

programs at either the state or the local level. Most often, coordination took one of two forms: through colocation whereby a client accessed TANF-related programs at the local one-stop, or through referrals and electronic linkages to off-site programs.³ How services were delivered also depended on state and local preferences and conditions. However, as we testified earlier, despite progress, states and localities continued to report a variety of challenges stemming from infrastructure limitations—such as inadequate facilities or antiquated computer systems that do not communicate with each other—and different program definitions and reporting requirements. These challenges complicated efforts to coordinate TANF work programs with one-stop centers. We found that some of the challenges—such as facilities limitations—could be overcome through state and local innovation, but others—such as multiple, sometimes conflicting, program requirements—will be resolved only through federal intervention. We saw some early evidence that states and localities were increasing their efforts to bring services together to fit local needs. As states and localities have begun to recognize the shared goals of the workforce and welfare systems, they have developed ways to coordinate services. However, these changes, like all culture changes, will take time.

Background

In recent years, Congress passed two pieces of legislation intended, in part, to foster greater coordination among education, welfare, and employment and training programs. The Workforce Investment Act (WIA) was passed in 1998 to consolidate services for many employment and training programs, requiring states and localities to use a centralized service delivery structure—the one-stop center system—to provide most federally funded employment and training assistance. States and localities had been developing one-stop centers prior to WIA, helped in part by One-Stop grants from the Department of Labor (Labor), but they were not required to do so until the passage of WIA. The Temporary Assistance for Needy Families (TANF) block grant, created two years earlier by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), allowed states and localities greater flexibility than ever before in designing employment and training services for clients receiving

³*Colocation* refers to TANF clients' being served directly at the one-stop either by TANF staff or by other staff cross-trained to provide TANF-related services. *Electronic linkages* refers to the use of computers, telephones, or other electronic connections between the one-stop and a separate office where services are provided to TANF clients.

cash assistance.⁴ While TANF is not one of 17 federal programs mandated to provide services through the one-stop system, states and localities have the option to include TANF as a partner. GAO's prior work on pre-WIA programs found that states varied in the degree to which employment and training services for TANF clients were being coordinated through the one-stop system.

For well over a decade, states and localities have engaged in efforts to integrate services for their employment and training programs. In fiscal year 1994, Labor helped them in their efforts when it began awarding One-Stop Planning and Implementation grants, requiring states to include most Labor-funded programs in the new one-stop centers in order to receive the grants.⁵ The key objectives of Labor's one-stop initiative, aside from integration, were to create a system that was customer-driven and accountable for its outcomes and that made its core services available to all job seekers. By 1998, all 50 states had received at least some one-stop planning or implementation grant funds.

When WIA was enacted, it expanded the use of the one-stop system, requiring states and localities to use this once optional service delivery structure to provide many other employment and training services. In implementing WIA, Labor continued to promote the key objectives of the earlier one-stop initiative while emphasizing state and local flexibility and a strong role for the private sector on new, local boards that oversee the program. WIA also extended the one-stop concept beyond Labor programs, requiring states and localities to form partnerships with other agencies offering employment and training services. About 17 categories of programs, funded through four federal agencies—the Departments of Labor, Education, Health and Human Services, and Housing and Urban Development—must provide services through the one-stop center system under WIA. WIA does not require that all program services be provided on site (or colocated)—they may be provided through electronic linkages with partner agencies or by referral—but WIA does require that the

⁴TANF also gave states more flexibility in determining the nature of financial assistance, the types of client services, the structure of the program, and the ways in which services were provided.

⁵Integration is characterized by features such as common intake and “seamless” service delivery. The customer may receive a range of services from different programs without repeated registration procedures, waiting periods, or other administrative procedures. Integrated services are sometimes, but not always, physically colocated.

relationships and services be spelled out in a Memorandum of Understanding between the partners.

While several programs are required by WIA to provide services through the one-stop centers, others have been left to the discretion of state and local officials, including the TANF block grant program. State and local flexibility is also a key feature of the TANF program, which was passed by Congress two years before WIA. Under TANF, states have more flexibility than under its predecessor programs to determine the nature of financial assistance, the types of client services, the structure of the program, and how services are to be delivered. At the same time, TANF established new accountability measures for states—focused in part on meeting work requirements⁶—and a 5-year lifetime limit on federal TANF assistance. These measures heighten the importance of helping TANF recipients find work quickly and retain employment. As states have used the new flexibility under TANF and have focused more on employment, the importance of coordinating services for TANF clients has received increased attention. To help clients get and retain jobs, states need to address problems that may interfere with employment, such as child care and transportation issues and mental and physical health problems. Frequently, solving these problems requires those who work directly with clients to draw on other federal and state programs, often administered by other agencies, to provide a wide array of services. While local welfare agencies have typically administered TANF, Food Stamps, and Medicaid, other programs that provide key services to TANF clients are administered by housing authorities, education agencies, and state employment services offices. TANF's focus on employment means that welfare agencies may need to work more closely than before with state and local workforce development systems. In the past, under the Work Incentive program, welfare agencies and workforce development systems collaborated at some level, but our previous work on pre-WIA programs found wide

⁶Work requirements under PRWORA include countable work activities, such as unsubsidized employment; subsidized private or public sector employment; work experience; on-the-job training; job search and job readiness assistance; community service programs; vocational educational training and job skills training directly related to employment; education directly related to employment; satisfactory attendance at a secondary school or a course of study leading to a certificate of general equivalence; or the provision of child care services to an individual who is participating in a community service program. For more information on work activities that states and localities are using as part of their TANF programs, see U.S. General Accounting Office, *Welfare Reform: Work-Site-Based Activities Can Play an Important Role in TANF Programs*, GAO/HEHS-00-122 (Washington, D.C.: July 28, 2000).

variation in the degree to which the welfare and nonwelfare programs worked together to provide employment and training services.⁷

State and Local Coordination of TANF-Related Programs with One-Stop Centers Increased in 2001

State and local efforts to coordinate their TANF and WIA programs increased in 2001, at least one year after all states implemented WIA. Nearly all states reported some coordination at the state or local level, achieved with methods ranging from informal linkages (such as information sharing or periodic program referrals) to formal linkages (such as memoranda of understanding), shared intake, or integrated case management. Coordination of TANF-related services with one-stop centers increased from 2000 to 2001, and the form of coordination—colocation of services, electronic linkages or client referral—was based, in part, on the type of services provided—TANF work, TANF cash assistance, or support services—as well as state and local preferences and conditions.

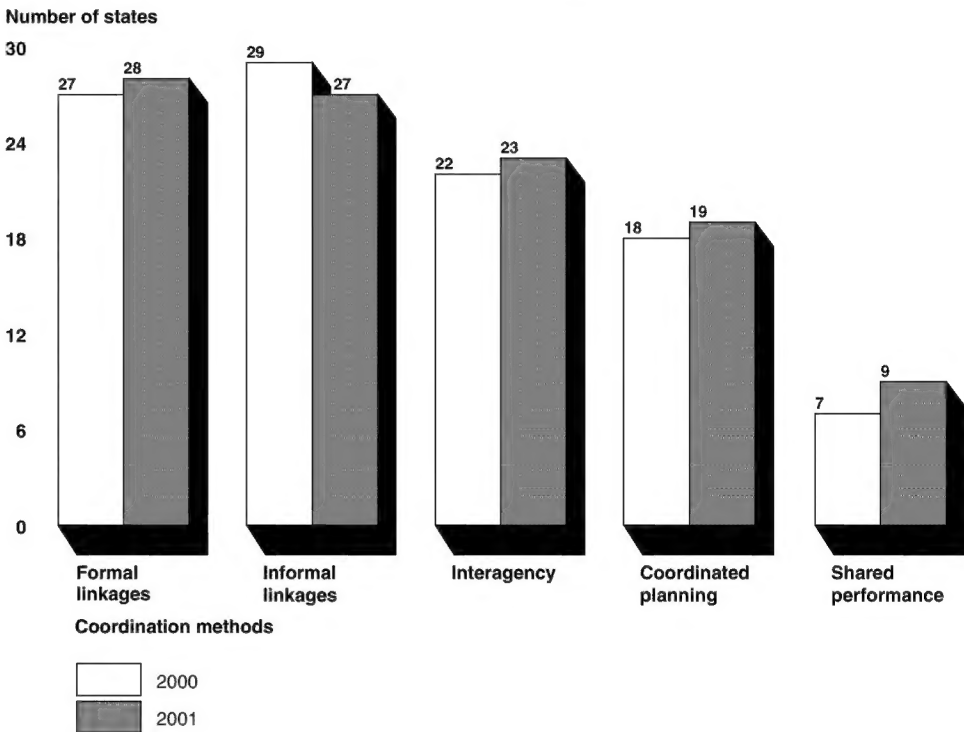
Coordination between the TANF and WIA Agencies Increased at Both the State and Local Levels

Modest increases in states' efforts to coordinate the management of TANF and WIA programs occurred between 2000 and 2001. Twenty-eight states reported that in 2001 they made extensive use of formal linkages, such as memoranda of understanding and state-level formal agreements, between the agencies administering TANF and WIA, compared with 27 states in 2000. Similarly, states increased their use of coordinated planning in 2001, with 19 states reporting that they used it to a great extent compared with 18 states in 2000 (see figure 1). When we looked at states individually, we saw that many were using additional coordination methods in 2001. Seventeen states indicated that the number of the state-level coordination methods they used to a great extent increased in 2001. In fact, in 2001, nine states used all five of the coordination methods that we analyzed—formal linkages, shared performance measurement and reporting, interagency and intra-agency workgroups, coordinated planning, and informal linkages

⁷U.S. General Accounting Office, *Workforce Investment Act: Implementation Status and the Integration of TANF Services*, GAO/T-HEHS-00-145 (Washington, D.C.: June 29, 2000); *Welfare Reform: States' Experiences in Providing Employment Assistance to TANF Clients*, GAO/HEHS-99-22 (Washington, D.C.: February 26, 1999).

and interagency communication (such as sharing program information)—up from 7 states in 2000.⁸

Figure 1: Methods of State Coordination Occurring to a Great Extent, 2000 and 2001



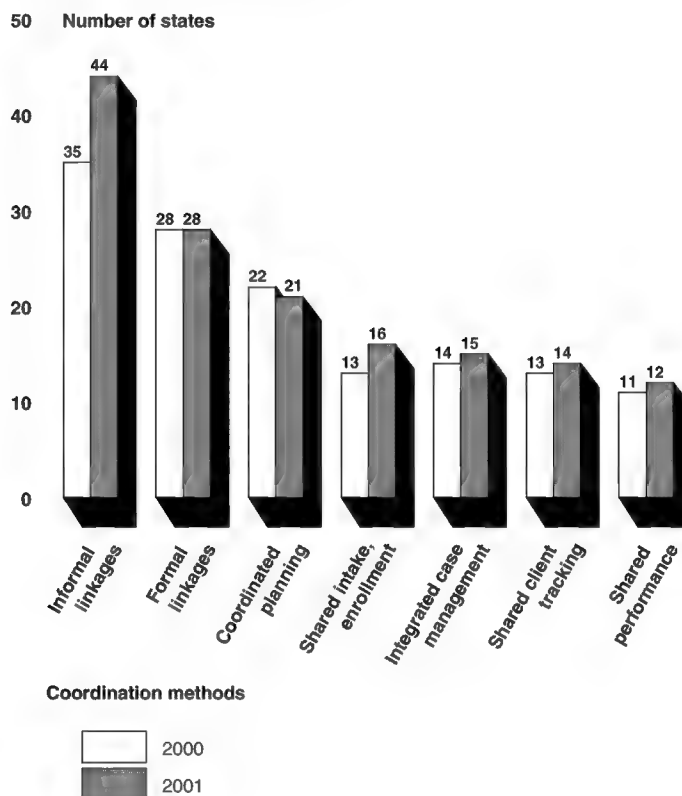
Increased coordination between TANF and WIA programs was also seen in the use of TANF funds to support one-stop center infrastructure or operations or both. The number of states using TANF funds to support one-stop centers increased to 36 in 2001 from 33 in 2000. In addition, the number of states ranking TANF as one of the three largest funding sources for their one-stop centers rose to 15 from 12.

⁸Our survey asked states to report the extent to which different types of coordination were occurring at the state level between WIA and TANF programs. We analyzed five types: formal linkages (such as memoranda of understanding, state-level agreements, or mutual referral agreements); informal linkages and interagency communication (such as sharing information about programs or changes in programs as they occur); interagency and intra-agency workgroups and consolidated advisory boards; coordinated planning; and shared performance measurement and reporting.

Some of the largest gains in program coordination between 2000 and 2001 were seen at the local level, with the most dramatic changes occurring in informal linkages, such as periodic program referrals or information services. Forty-four states reported that most of their one-stop centers had informal linkages with their TANF programs in 2001, compared with 35 states in 2000 (see figure 2). Similarly, 16 states reported that most of their one-stop centers had shared intake or enrollment systems in 2001—up from 13 in 2000; and 15 states reported in 2001 that they used an integrated case management system in most of their one-stop centers—an increase of 1 state from our 2000 results. Also, our analysis suggests that more coordination methods are in use at the local level. The number of states that reported that most of their one-stop centers used all seven methods of local-level coordination increased in 2001 to 10 states from 7 in 2000.⁹ Some of these coordination methods have the potential to reduce the administrative burden on both clients and staff by decreasing the number of applications that clients must complete and eliminating the need for staff to enter similar client information into several systems. For example, one locality in Connecticut cross-trained staff to provide both TANF and WIA services and developed an integrated case management system so that one case manager could track clients across both TANF and WIA programs, in an effort to reduce the amount of time that staff needed to spend on administrative tasks like data entry.

⁹Our survey asked states to tell us whether most of the centers coordinated TANF and WIA programs. We analyzed seven methods— informal linkages (such as periodic program referrals or information services) and interagency communication (such as phone calls, memos, or flyers announcing program services); formal linkages (such as memoranda of understanding or mutual referral agreements); coordinated planning; shared intake and enrollment; integrated case management; shared client tracking; and shared performance measures.

Figure 2: Coordination Methods That States Reported Most of Their One-Stop Centers' Using, 2000 and 2001



Coordination of Services through One-Stops Increased, and the Form It Took Varied According to Services Provided

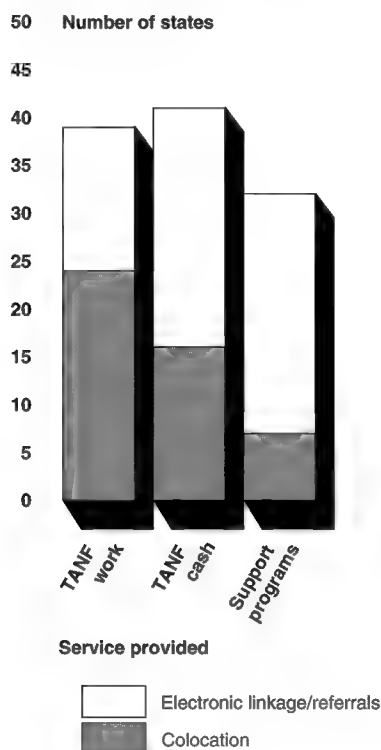
Increases in coordination between the TANF program and one-stop centers were also seen in the use of the one-stop center system to provide services to TANF clients. While the same number of states—24—reported in both 2000 and 2001 that services for the TANF work program were colocated at the majority of their one-stops, the use of electronic linkages or referrals increased. Fifteen states reported in 2001 that services for the TANF work program were either electronically linked to the majority of their one-stop centers or provided by referral between the two programs. In 2000, 11 states reported these types of linkages.

About half of the states coordinated their TANF cash assistance or Food Stamps or Medicaid programs with the one-stop centers, electronically or by referral in 2000 and 2001. State officials in both Connecticut and New Jersey reported that even though one-stop staff did not determine eligibility for Medicaid and Food Stamps at the one-stops, the staff were

expected to refer clients to appropriate support services outside one-stop centers. While not as prevalent as electronic linkages or referrals, colocation of cash assistance appeared to increase in 2001: 16 states reported that they provided cash assistance services at least part time at the majority of their one-stop centers, compared with 9 states in 2000. Colocation of Food Stamps and Medicaid remained the same: seven states reported in both years that they provided those services at least part time at the majority of one-stops.

In general, the form of coordination between TANF and one-stops was different depending on the particular program services that were provided. For example, when the TANF work programs were being coordinated through the one-stop centers, services were more likely to be colocated. TANF cash assistance and the Food Stamps and Medicaid programs were more likely to be connected electronically or by referrals (see figure 3). Sometimes states instituted policies to further strengthen the relationships between the programs and ensure that clients were connected to one-stop services. In Michigan, for example, TANF clients were required to attend an orientation session at the one-stop before they could receive cash assistance. Similarly, in Connecticut, where there were low participation rates for TANF clients at one-stop centers, the legislature enacted a law requiring TANF clients to use one-stop centers as a condition of receiving cash assistance.

Figure 3: Forms of Coordination That States Reported the Majority of Their One-Stops' Using in 2001



In our site visits, we saw wide variation in the degree to which other support services, such as child care and transportation, were provided through the one-stop system. For child care assistance, the forms of coordination ranged from the colocation of child care programs at the one-stop to providing information on services available elsewhere. In New Jersey, for example, representatives from child care assistance programs were colocated at some of the one-stop centers, whereas in Arizona, coordination was limited to brochures supplied to one-stop centers. Many of the one-stops that we visited provided some kind of transportation assistance, although the nature of the services and whether or not the services were reserved for TANF clients varied from locality to locality. For example, in one location in New Jersey that we visited, the one-stop center reimbursed transportation expenses to any low-income client attending training, whether or not the client was covered under TANF. Another New Jersey one-stop provided van services to transport former TANF clients to and from job interviews and, once clients were employed, to and from their jobs, even during evening and night shifts. Similarly, a

one-stop in Connecticut provided mileage reimbursement to current and former TANF clients for their expenses associated with going to and from their jobs. And in Louisiana, a one-stop we visited contracted with a nonprofit agency to provide van services to transport Welfare-to-Work grant recipients to and from work-related activities.

How Services Were Delivered Depended on State and Local Preferences and Conditions

Little is known about the relative success of TANF clients who use one-stop centers compared with those receiving services elsewhere, and state and local officials told us that decisions about how services were delivered were based on state and local preferences and conditions. Some state and local officials expressed a preference for colocating TANF programs at one-stop centers. For example, officials in a local area in Louisiana believed that colocation of TANF programs at the one-stop center would benefit TANF clients by exposing them to the one-stop center's employer focus. These officials also said that colocation would result in a more seamless service delivery approach, giving clients easier access to the services. Other state and local officials preferred not to colocate all TANF-related programs. While they supported the colocation of TANF work programs, they thought that cash assistance, Food Stamps, or Medicaid should be provided elsewhere. For example, Michigan officials told us that keeping eligibility functions for TANF cash, Food Stamps and Medicaid separate was beneficial, because welfare staff had more expertise in the provision of social services while labor staff were better equipped to provide work-related services. Still other state and local officials were concerned about the colocation of any TANF-related programs, because TANF clients required special attention and were best served by staff trained to address their unique barriers. For example, in Arizona, TANF work programs were provided to TANF clients through a system that was not connected to one-stop centers. Rather than colocating or systematically referring welfare clients to one-stop centers, officials there said that one-stop staff should refer TANF clients to one-stop centers on a case-by-case basis. State officials in Washington reported that TANF clients need a higher level of supervision and more structured assistance than they believed one-stop centers could provide. Officials saw the one-stop centers as better structured to serve those clients whose participation was voluntary, whereas TANF clients are generally required to engage in work.

Local conditions, such as geographically dispersed one-stop centers and low population density of TANF clients, also influenced state and local decisions about how to coordinate TANF-related programs with one-stop centers. For example, officials in Alabama reported that although welfare

agencies were located in every county, one-stop centers were less prevalent in their state. They felt it was impractical to have TANF-related services colocated at one-stop centers, because one-stop centers would be inaccessible to many TANF clients. In addition, officials in Illinois said that they were hesitant to coordinate the provision of work-related services for TANF clients at one-stop centers in areas where the TANF population had recently declined. Because of declining TANF caseloads in Illinois, state officials stressed the importance of allowing local areas the flexibility to determine how to coordinate TANF-related services with one-stop centers. Conversely, other states were working to make one-stop centers more accessible to TANF clients. For example, both New Jersey and Louisiana established plans to create satellite one-stop centers in public housing areas. Because of the variation in local conditions, several state officials stressed the importance of local flexibility in determining the nature of coordination of TANF-related programs with one-stop centers.

Coordinating TANF Services with One-Stop Centers Has Continued to Present Challenges to States and Localities

Despite increases in coordination between the TANF program and one-stops from 2000 to 2001, states and localities have continued to face challenges in coordinating their TANF work programs with one-stop centers. For some of the challenges, the existing flexibility under both TANF and WIA allowed states and localities to find solutions; and we found that some areas developed ways to resolve them. However, other challenges cannot be easily resolved at the local level. Most challenges are similar to those we reported in 2000 when WIA was first implemented. In general, the challenges result from state and local efforts to (1) develop the one-stop infrastructure that allows staff to readily provide needed services to TANF clients and (2) develop more compatible program definitions and requirements.

Developing One-Stop Infrastructure to Provide Services to TANF Clients

Limited Facilities

Infrastructure limitations—in terms of both facilities and computer systems—continued to challenge states and localities in their efforts to coordinate TANF-related programs with one-stop centers.

Colocation of TANF services within the one-stop was not a viable option in many of the locations that we visited. Officials in several states reported that available space at one-stop centers was limited and that the centers could not house additional programs or service providers. In addition, state officials explained that long-term leases or the use of state-owned buildings often prevented TANF work programs from relocating to one-stop centers. States developed ways to overcome these challenges to colocation in order to meet the needs of TANF clients. For example,

Incompatible Information Systems

Louisiana's Department of Labor placed a Welfare-to-Work staff member in all local welfare offices. These staff members provided TANF clients with information about the services available at one-stop centers. In addition, one state assigned TANF staff to one-stop centers to serve TANF clients.

The states that we visited reported that the inability to link the information systems of TANF work programs and one-stop centers complicated efforts to coordinate programs. A recent conference that we cosponsored also highlighted this issue,¹⁰ specifically identifying the age of information systems as inhibiting coordination efforts. The need to modernize the systems stemmed from the shift in objectives under TANF—focusing more on preparing TANF clients for work than had previous welfare programs—which created new demands on information systems; from the fact that systems used by agencies providing services to TANF clients did not share data on these clients, thus hindering the case management of clients; and from the antiquated information systems that made it difficult for agencies to take advantage of new technologies, such as Web-based technologies. Some of these concerns were also raised during our site visits and phone interviews. Some local officials said that they could not merge or share data and were not equipped to collect information on clients in different programs. TANF clients are often tracked separately from clients of other programs, and even Labor's system, the One-Stop Operating System (OSOS), does not allow one-stop centers to include TANF programs. In addition, other officials expressed concerns that sharing data across programs would violate confidentiality restrictions. The issues of incompatible computer systems are not easily resolved. Officials from two states we visited said that their states' WIA and TANF agencies were exploring the development of a shared system but that cost estimates were too high for it to be implemented at this time.

Developing More Compatible Program Definitions and Requirements

As states and localities attempted to coordinate services for TANF clients through the one-stop, they encountered challenges to harmonizing program definitions and meeting reporting requirements.

¹⁰For more information on integration of information systems for human services programs, see U.S. General Accounting Office, *Human Services Integration: Results of a GAO Cosponsored Conference on Modernizing Information Systems*, GAO-02-121 (Washington, D.C.: January 31, 2002).

Incompatible Program Definitions

State officials noted that although the focuses of TANF work and WIA programs were related, differences in program definitions—such as what constitutes work or what income level constitutes self-sufficiency—made coordination difficult. While many program definitions are established by legislation and cannot be changed at the state or local level, a few can be locally determined, and two states found ways to harmonize their locally determined definitions. For example, Connecticut developed a self-sufficiency standard that could be uniformly applied across TANF and WIA, so that both programs would place clients in jobs with similar wage levels. One local one-stop center we visited in Arizona also worked to accommodate differences in program definitions. At this center, TANF and WIA officials worked together to develop training for both programs that enabled TANF clients to meet the requirement of a TANF work activity.

Incompatible Reporting Requirements

As is the case with other programs in the one-stop centers, states and localities continue to struggle with the different reporting requirements attached to the various funding streams. Each program has restrictions on how its money can be used and what type of indicators it can use to measure success. Because the federal measures evaluate very different things, tracking performance for the TANF and WIA programs together was difficult. Despite the flexibility in TANF, state officials felt constrained by the need to meet federally required work participation rates, and they told us that they used these federal requirements to gauge how well their TANF work programs were performing. For example, one state official was concerned that the state TANF agency was focused more on meeting work participation rates than on designing programs that might help their TANF clients become self-sufficient. WIA, on the other hand, has a different set of performance measures geared toward client outcomes, including the degree to which clients' earnings change over time and whether or not the clients stay employed.¹¹ Many states and localities are organizing their WIA programs to maximize their ability to achieve these and other key client outcomes. These differences in program indicators often lead to very different program services for clients. Because of these differences, coordinating TANF work programs with the one-stop centers was difficult. These different reporting requirements may need either state or federal action to resolve.

¹¹For more information on performance measures for WIA-funded programs, see U.S. General Accounting Office, *Workforce Investment Act: Improvements Needed in Performance Measures to Provide a More Accurate Picture of WIA's Effectiveness*, GAO-02-275 (Washington, D.C.: February 1, 2002).

Concluding Observations

Even though TANF was not made a mandatory partner under WIA, we see some early evidence that states and localities are increasing their efforts to bring services together to fit local needs. These changes, like all culture changes, will take time. It appears, however, that as the systems have matured and their shared purposes and goals have become evident, many states and localities have found it advantageous to coordinate TANF and WIA programs. This move toward integrating services is not happening everywhere—it has been left to state and local discretion. Many state and local officials hailed this flexibility in the programs as an important step in helping them to design their service delivery systems and to integrate services where appropriate. But their efforts to bring services together continue to be hampered by the same obstacles that we reported nearly two years ago: limited capacity to develop the needed infrastructure—both in terms of facilities and information systems—and the need to respond to the multiple, sometimes incompatible, federal requirements of the separate programs. As Congress moves toward reauthorizing both WIA and TANF, consideration should be given to finding ways to remove these obstacles to service integration.

Mr. Chairman, this concludes my prepared statement. I will be happy to respond to any questions that you or other members of the subcommittee may have.

GAO Contacts and Acknowledgements

If you or other members of the subcommittee have questions regarding this testimony, please contact Sigurd Nilsen at (202) 512-7215 or Dianne Blank at (202) 512-5654. Suzanne Lofhjelm, Mikki Holmes, Natalya Bolshun, and Kara Finnegan Irving made key contributions to this testimony.